



CUSTOMER RELATIONSHIP MANAGEMENT
CRM . . . It's about the customer!

Defense Energy Support Center



Customer Relationship Management (CRM) Status Update

April 20, 2006



Agenda



- **What is CRM?**
- **Implementing CRM - DESC's Progress**
- **What Happens Next?**



What is CRM?

***C*ustomer *R*elationship *M*anagement: An End-to-End Business Strategy Focused on the Customer**

- **Goes beyond simple customer service behaviors**
- **Means thinking about customers strategically**
- **Attempts to anticipate customer requirements rather than simply meeting the requirement at the moment**
- **Addresses the customer relationship for the entire duration of the customer's interaction with DESC**



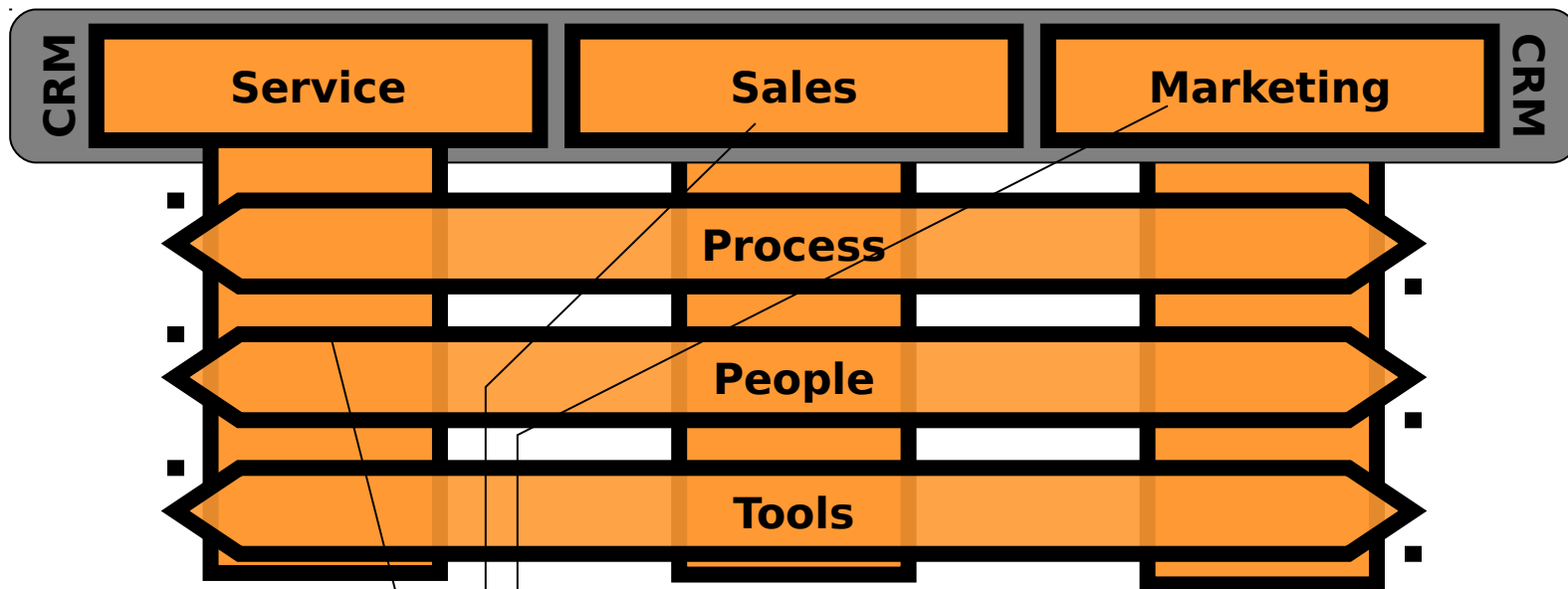
What Challenges Does CRM Address?

- **Lack of a disciplined customer engagement process**
 - Need:
 - Consistent, Repeatable Processes
 - Systematic and Recurring Approach
 - Customer-driven Business Strategies
- **Difficulty in gathering and sharing customer information**
 - Problem Impacts External Customer Relations and Internal Communication and Coordination
- **Challenge of turning customer requirements into Energy Solution Offerings**



CRM Major Process Areas

CRM Consists of Consistent, Repeatable Processes in 3 Major Process Areas



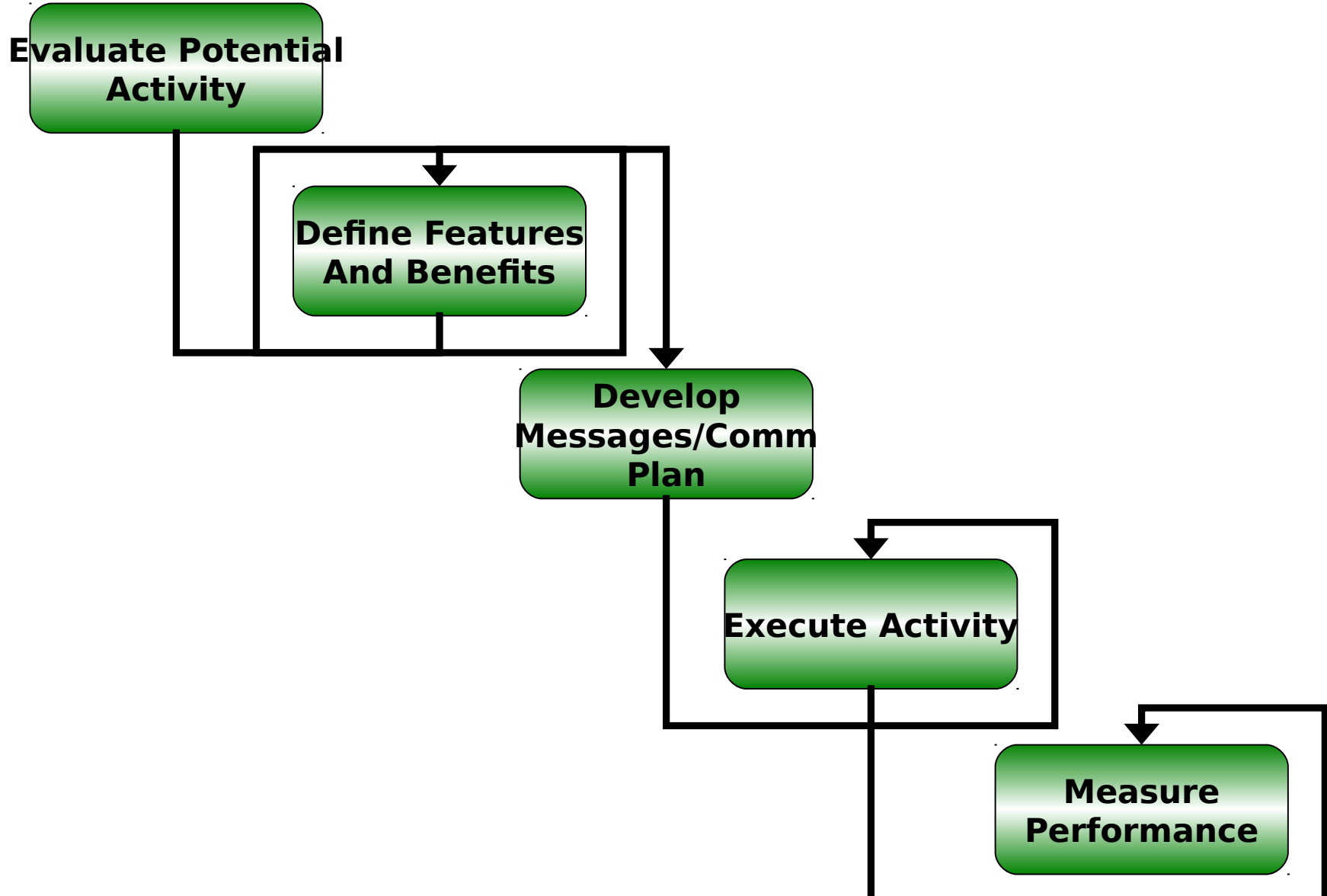
Service tracks and resolves customer service issues

Sales collaborates with the customer to determine the most appropriate energy solution to be provided

Marketing reaches out to understand our customers' needs and educates customers about DESC's energy solutions

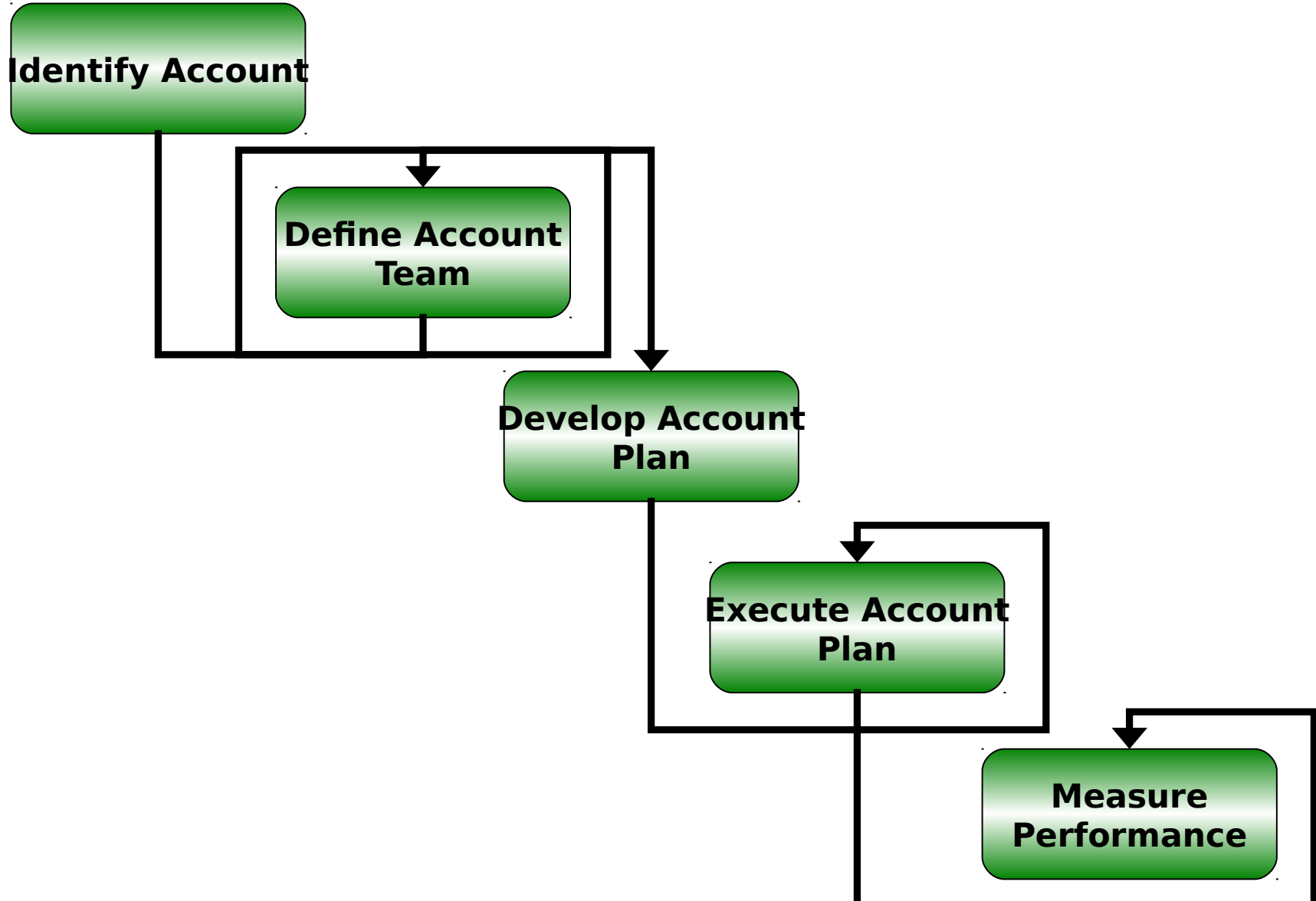


Marketing Management Overview



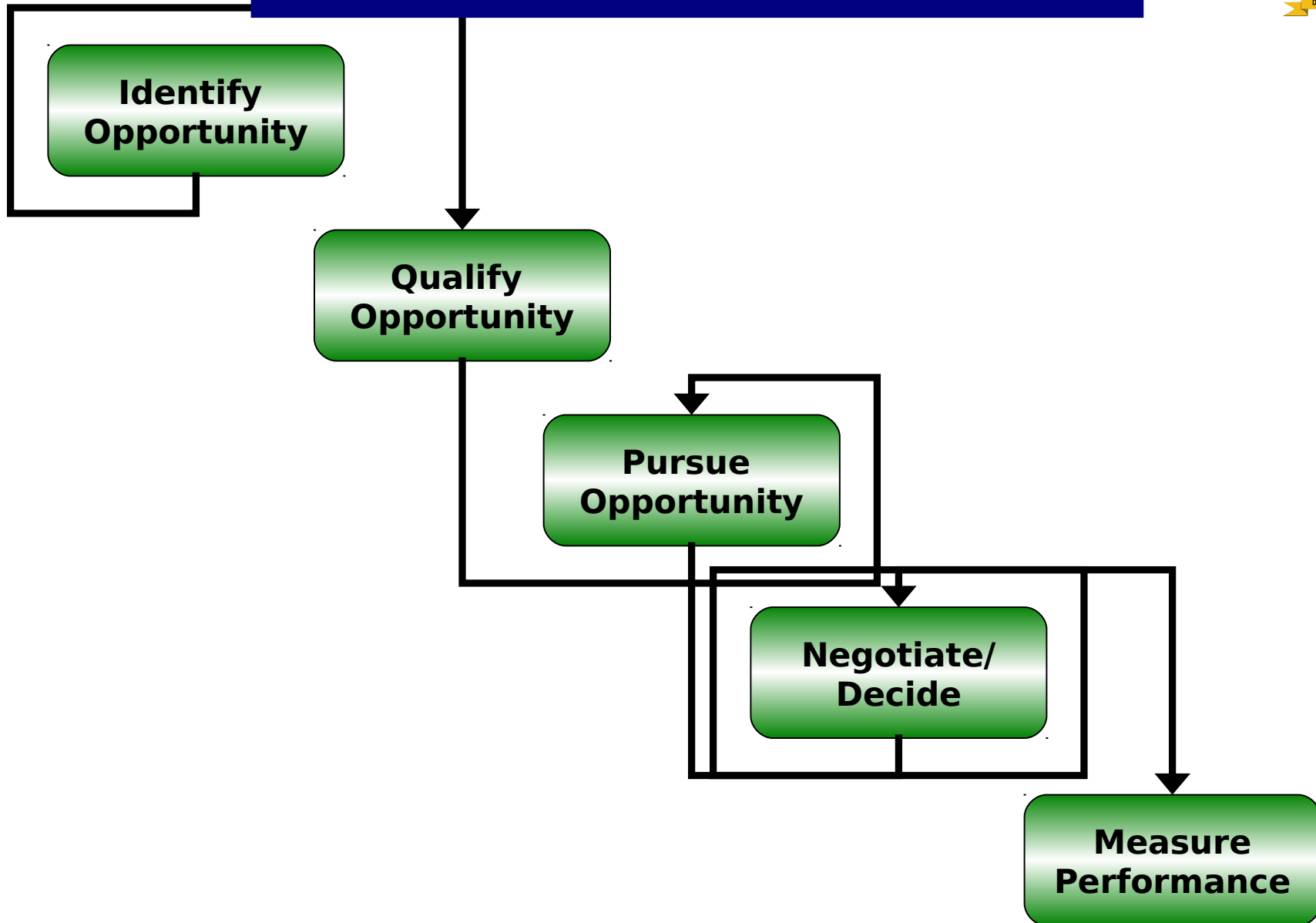


Account Management Overview





Opportunity Management Overview





Why Transition to CRM?

Mission: To Provide The Department of Defense and Other Government Agencies with Comprehensive Energy Solutions In the Most Efficient and Economical Manner Possible



Vision: Our Customer's First Choice for Energy Solutions



Why Transition to CRM?

External:

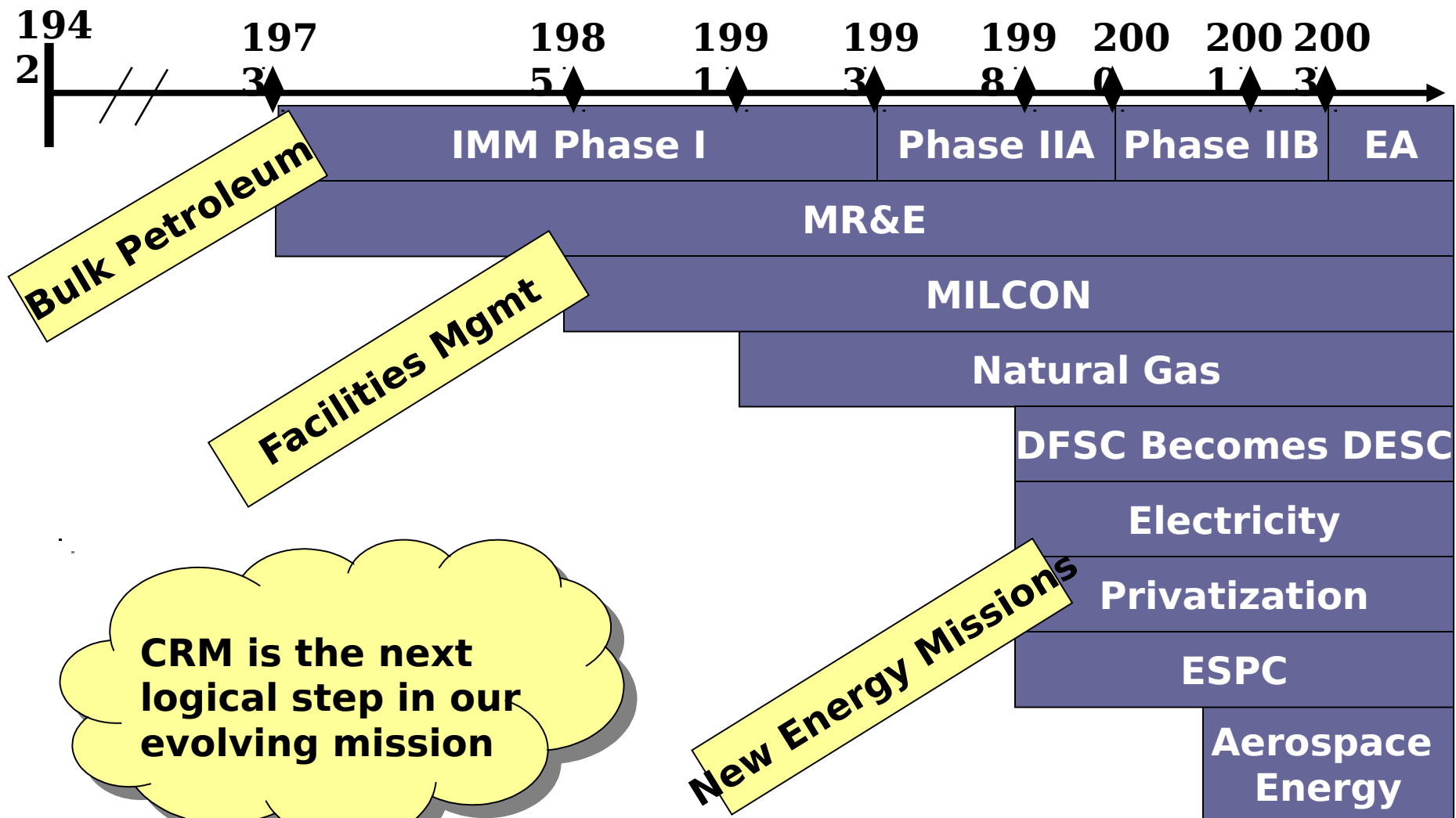
- **Better Understand Warfighter and other Customer Requirements**
- **Improve Warfighter and other Customer Readiness**
- **Improve Efficiency of Customer Interactions**

Internal:

- **To Improve Strategic Decision Making**
- **To Improve Cross-CBU Communication and Coordination**
- **To Make Better Resource Allocation Decisions**
- **To Leverage newer, non-Bulk Energy Solutions**
 - **Utility Privatization/ESPC**
 - **Optimization**

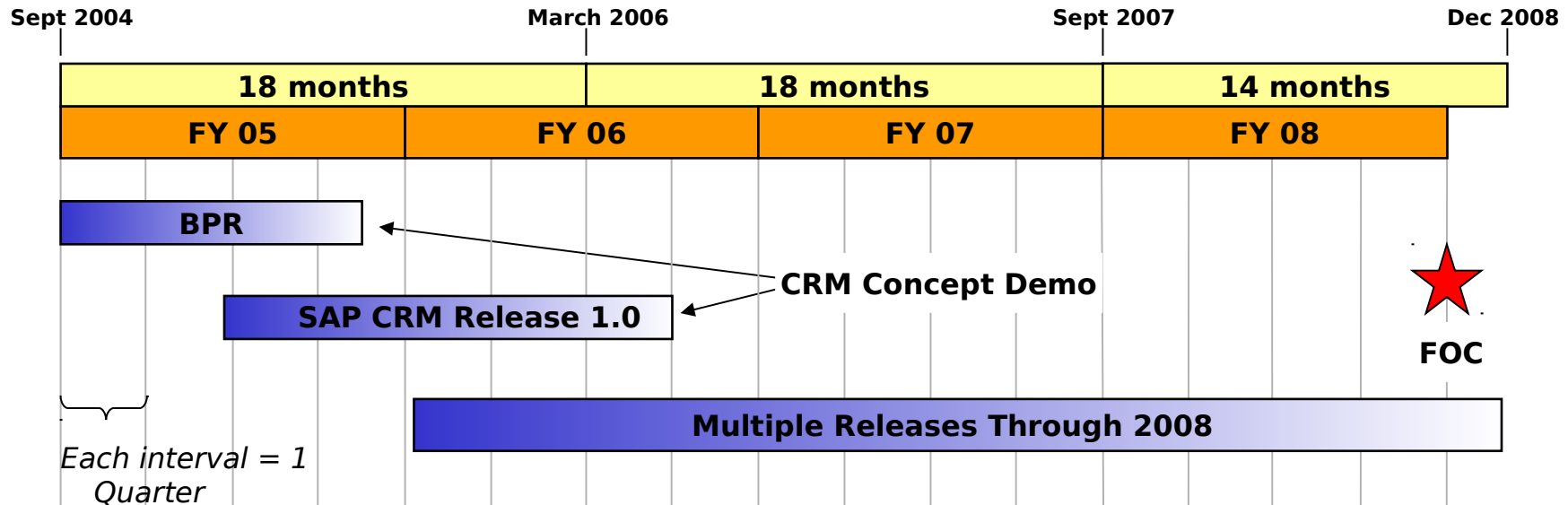


New Missions Call for New Strategies





CRM Implementation to Sustainment Timeline



- CRM “Concept Demonstration” included Business Process Re-engineering (BPR) release and Release 1.0 of SAP CRM technology
- SAP CRM Release 1.0 deployed March 31, 2006
- Processes and technology to be enhanced and refined through 2008 in a series of staggered releases
- Full Operational Capability (FOC): Fall 2008



DESC CRM Participation



- **DESC is Focused on Participation in the Enterprise Initiative and the Improvement of Its Customer Orientation and Focus**
- **DESC's Release 1.0 Focus is on Two CRM Business Process Areas**
 - **Marketing**
 - **Sales**
- **Why Not Service?**
 - **Release 1.0 version of Service is designed specifically to replace certain DLA legacy systems**
 - **Magic Customer Call Management System**
 - **DESX: Defense Supply Expert System**
 - **DESC's limited use of those systems did not warrant participation at the time**



DESC CRM Status



- **DESC Currently Participating in SAP CRM Release 1.0 “Go-Live”**
 - **43 Users Participate in 4-Phase “Rolling Deployment”**
 - **Input Existing CRM Workaids (Opportunities, Marketing Events)**
 - **Input New Marketing Campaigns/Events and Opportunities**
- **DESC Currently Formulating Plans for a Multi-Track CRM Implementation Focused on Improving DESC Customer Orientation**
 - **Track 1: Meeting Enterprise Requirements**
 - **Track 2: Using CRM to Improve DESC’s Customer Focus**

▪ **Customer Accounts will be focus of DESC CRM Efforts**



DESC CRM Track 1

Meeting Enterprise Requirements



DESC will:

- **Participate in 5 of the 7 Enterprise Accounts during Release 1.0**
 - **18th Airborne**
 - **19th Theater Support Command (19th TSC)**
 - **Air Logistics Center Oklahoma City (ALC OC)**
 - **Federal Emergency Management Agency (FEMA)**
 - **Installation Management Agency (IMA)**
- **Exercise centralized management of all DESC participation in Enterprise-Focused Account Management, Marketing Management, and Opportunity Management processes**



DESC CRM Track 1

Meeting Enterprise Requirements (cont.)



DESC will:

- **Create Management Teams for each Major Process Area comprised of DESC-DS personnel and Release 1.0 Users**
- **Collaborate with CBU/Region leadership and staff to Gather Process-related data**
 - **Account Management: “What goal(s) has DESC established for improving its relationship with FEMA? or “What products/services has DESC agreed to provide to FEMA?”**
 - **Opportunity Management: “Has Aerospace Energy identified a new customer to whom it can supply with Argon?”**



DESC CRM Track 2

Using CRM to Improve DESC's Customer Focus



DESC will:

- **Collaborate with CBUs and Regions to create DESC-Specific Customer Accounts**
 - Customer-Specific Accounts will enable DESC to manage customer interactions across all CBUs/Regions
- **Create Account Management Teams consisting of DESC-DS and CBU/Region representatives**
- **Create Marketing and Sales Teams for each Account consisting of DESC-DS and CBU/Region representatives**
- **Develop Comprehensive Marketing and Sales Strategies that speak to each Account**
- **Centralize oversight of CRM process development within DESC-DS**
- **Provide Training to All Participating Employees**



Proposed DESC CRM Implementation Timeline



April 2006 May 2006 June 2006 July 2006 Aug 2006 Sep 2006 Oct 2006 Dec 2006

Proposed Timeline for DESC CRM Implementation

Track 1: Create Teams

Track 1: Collect/Coordinate Data

**Track 1: Report Account/Marketing/
Opportunity Data**

Track 2: Create Teams

**Track 2: Formulate Accts/
Teams/ Strategies**

Track 2: Execute/Evaluate



Summary/Q&A



In Summary:

- ✓ **CRM will yield a stronger customer orientation and focus for DESC**
- ✓ **CRM will yield improved business processes for engaging customers**
- ✓ **CRM will yield better strategic decisions and investments for DESC**
- ✓ **DESC will pursue a two-track approach focused on deriving the *Greatest Return On Investment* possible**

Questions?



DESC-DS CRM Division



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